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In the Supreme Court of the United States

OCTOBER TERM, 1965

No. 993

FLICK-REEDY CORPORATION, *Petitioner*

vs.

HYDRO-LINE MANUFACTURING CO., *Respondent*

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI BY FLICK-REEDY CORPORATION

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May it please the Court,

The petition filed by plaintiff, Flick-Reedy Corporation, does not correctly state either the facts of the case or the applicable law. More specifically, the plaintiff's arguments and authorities completely ignore the basis of the decision of the Court of Appeals.

BRIEF STATEMENT OF THE FACTS

The Flick patent in question, No. 2,842,284, was found invalid by the District Court (241 F. Supp. 127-142) for a number of reasons including that of anticipation by certain prior art cylinders (Findings 20-27, pages 9a-14a of appendix to plaintiff's petition). The District Court also held that the Flick patent "is invalid and unenforceable because the specification is insufficient to inform a person with or-

dinary skill in the power cylinder art as to how 'absolute concentricity' together with a sealing relation . . . can be obtained." (Conclusion 7, page 26a of appendix to plaintiff's petition). Further, the District Court held the Flick patent to be invalid because the patentee, Flick, deliberately kept as a trade secret and withheld disclosure of the best mode contemplated by him of carrying out the invention (Conclusions 8 and 9, appendix page 26a of plaintiff's petition). Still another ground for the District Court's holding of invalidity of the patent was the patentee's inequitable conduct in misrepresenting the status of the prior art, known to him, to the Patent Office (Conclusion No. 10, appendix page 26a of plaintiff's petition).

The Court of Appeals (351 F.2d 546) found it necessary to affirm the invalidity of the patent only on the ground of the patentee's deliberately withholding disclosure of a "special tool" utilized in making the invention. The Court of Appeals said, plaintiff's petition appendix, page 40a:

> ". . . To accept the monopoly and withhold the full disclosure of the 'best mode contemplated by the inventor,' which will result in a contribution to the common good upon expiration of the monopoly is the 'selfish desire' against which 35 U.S.C. §112 is directed."

If there is any difference at all between the specification and claims of the Flick patent and the prior art cylinders in evidence, the difference resides in the specific area which the patentee reserved to himself as a trade secret. Any difference between the Flick patent and prior art cylinders is of a minimal order which may be readily appreciated from an examination of the cylinder barrel, head and seal ring constructions reproduced at the end of this brief. Fig. 4 of the Flick patent is reproduced at page 1a of the appendix hereto and, at page 2a, there is reproduced defendant's Exhibit 55, which is an enlargement of a portion of a draw-

ing of only one of the prior art cylinders in evidence, the 1950 Hanna HP cylinder.

The alleged difference between the Flick patent structure and the prior art was a "sealing relation" of two surfaces 30 and 32 which were described in the patent specification in terms of "absolute concentricity," "zero clearance" and "a metal to metal contact." (Joint Appendix pages 187, 188) One of these surfaces is described as formed with a "special tool". It is the disclosure of this tool which was withheld by the patentee, Flick. When asked about the tool at the trial, he stated (Joint Appendix 178):

> ". . . [W]e must use a mechanical tracer tool. I am sorry we have to tell you what it is. These sort of things cost us a lot of money to develop.
>
> "Anyone of the four types, mechanical, air tracer, electronic tracer, or hydraulic tracer tool can be used."

He further told the court

> "Your Honor, there are times when you could apply for a patent, I believe, but the enforcement thereof, where it is a tool used for an exclusive purpose in a plant, the enforcement thereof would be most difficult, and you may elect to try to keep the information of a secret nature.
>
> * * * * *
>
> "This is what we elected to do."

The Court of Appeals correctly approved the findings of fact of the District Court with respect to patent No. 2,842,284, correctly applied the existing law, and correctly followed the policy of the law.

THE APPLICABLE LAW AND PUBLIC POLICY

The paramount public interest in patents has been recognized by this Court and lower courts throughout the country since the inception of the patent statutes. This

Court, for example, in the recent case of *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.*, 382 U.S. 172,177 (1965), quoted, with approval, the following statement in *Precision Instrument Manufacturing Company* v. *Automotive Maintainance Machinery Company*, 324 U.S. 806, 816 (1945):

> "A patent by its very nature is affected with a public interest. As recognized by the Constitution, it is a special privilege designed to serve the public purpose of promoting the 'Progress of Science and useful Arts.' At the same time, a patent is an exception to the general rule against monopolies and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope."

Similarly, this Court recently noted in *Sears Roebuck & Company* v. *Stiffel Company*, 376 U.S. 225, 230 (1964):

> ". . . . in rewarding useful invention, the 'rights and welfare of the community must be fairly dealt with and effectually guarded.' *Kendall* v. *Winsor*, 21 How. 322, 329 (1859). To that end the prerequisites to obtaining a patent are strictly observed, and when the patent has issued the limitations on its exercise are equally strictly enforced."

The basic rule of our patent law requires the inventor to give something of beneficial knowledge to the public in return for the public giving the inventor a monopoly. This is the *quid pro quo* rule. It was stated by this Court as follows in *Beidler* v. *United States*, 253 U.S. 447, at 453:

> "Ever since *Grant* v. *Raymond*, 6 Pet. 218, 247, it has been consistently held that a correct and adequate description or disclosure of a claimed discovery (which, in the case of a machine, involves particularly the

> operation of it) is essential to the validity of a patent, for the reason that such a disclosure is necessary in order to give the public the benefit of the invention after the patent shall expire. The source of the power to grant patents, and the consideration for granting them, is the advantage which the public will derive from them, especially after the expiration of the patent monopoly, when the discoveries embodied in them shall become a part of the public stock of knowledge."

Thus, if important matters be omitted from specifications for patents, those same important matters will not be part of the public stock of knowledge upon expiration of the patent. That is what is involved in this particular case. It is for this reason that the patent statutes require the inventor to set forth the "best mode" contemplated by him in carrying out his invention in the specification of his patent. Contrary to plaintiff's statement that this Court has not had occasion to consider the "best mode" Statute prior to the 1952 Act, the Court did observe in the same Beidler case that the statute requires the best mode known to the patentee.

Long before the present patent Act of 1952, 35 U.S.C. §112, this Court had stated in *Merrill* v. *Yeomans,* (1877) 94 U.S. 568, 573, 24 L ed. 235:

> "The growth of the patent system in the last quarter of a century in this country has reached a stage in its progress where the variety and magnitude of the interests involved require accuracy, precision, and care in the preparation of all the papers on which the patent is founded. . . . The developed and improved condition of the patent law, and of the principles which govern the exclusive rights conferred by it, leave no excuse for ambiguous language or vague descriptions. The public should not be deprived of rights supposed to belong to

it, without being clearly told what it is that limits these rights."

Also, as early as 1870, this Court stated that an inventor of a machine is required to set forth the manner of making or constructing the machine. This was stated in *Seymour* v. *Osborne,* 11 Wall. 516, 540 as follows:

> "Inventors of machines are required, before they receive a patent, to deliver a written description of their inventions, and of the manner and process of making, constructing, and using the same, in such "full, clear, and exact terms" as to enable any person skilled in the art or science to make, construct, and use the same, . . ."

Through the years there has been no departure from this rule. For example, this Court again stated in *Permutit Co.* v. *Graver Corporation,* 284 U.S. 52 (1931), as follows at page 60.

> "The statute requires the patentee . . . to explain the principle of his apparatus and to describe it in such terms that any person skilled in the art to which it appertains may construct and use it after the expiration of the patent, . . ."

The Court of Appeals for the Seventh Circuit has followed both the letter and spirit of this law enunciated by this Court. Thus, when confronted with a situation wherein a patent depended upon matters which were withheld from disclosure as trade secrets, the Court of Appeals held the patent invalid. That occurred in a case closely in point of fact to the present case, *Richmond Screw Anchor Company* v. *Umbach,* 173 F.2d 521 (7th Cir., 1949) Cert. den. 337 U.S. 919. There, the Court stated as follows at page 525:

> "The sole novelty which might reside in claims 1 and 5 is that the weld is accomplished by means which produce a brittleness in the rod, thereby making it more

readily severable at that point when the form is removed.

"As shown, however, by the testimony of plaintiff's president, Snyder, *the method by which this brittleness is obtained is rather complicated,* and its proper exercise depends upon numerous things, such as the heat pressure, type of steel, timing, voltage, none of which are disclosed; in fact, *the witness admitted that to do so would be to disclose the secrets of the business.* We think in this respect that claims 1 and 5 fail to meet the requirements of Sec. 33, Title 35 U.S.C.A. and are void for that reason. See Hemming Mfg. Co. v. Cutler-Hammer Mfg. Co., 7 Cir., 243 F. 595, 600; Health Products Corp. v. Ex-Lax Mfg. Co., 2 Cir. 22 F.2d 286, 287." (Emphasis added)

While the law has strict requirements of disclosure, it also has recognized the principle that a patentee need not set forth details which are readily apparent to those skilled in the art. Thus, for example, in *Webster Loom Company* v. *Higgins,* 105 U.S. 580, 26 L Ed. 1177 (1882) this Court stated, page 586:

". . . He may begin at the point where his invention begins and describe what he has made that is new and what it replaces of the old. . ."

THE APPLICATION OF THE LAW TO THE FACTS OF THIS CASE

To know where the inventor may start and then describe what is new under *Webster Loom* v. *Higgins,* 105 U.S. 580, 586 (1882), one here must look to the prior art as it existed as of the time the patentee, Flick, made his alleged invention. An examination of this art reveals that cylinders with the ends of their tubes or barrels pressing against a seal ring in a groove in the heads of the cylinders was old, well-known and common practice (District Court findings

Nos. 19-25, plaintiff's petition appendix pages 9a-13a). This was the starting point from which the applicant, Flick, was supposed to describe what was new. Opinion testimony was also presented that some of the prior cylinder tubes could provide a sealing relation against the outer wall of the groove in the heads of the cylinders (re Hanna cylinders, Joint Appendix 365-368).

From this starting point, the alleged novelty of the patent resides in what are described as "absolutely concentric" surfaces of the outer surface of the barrel and outer surface of the groove in the head so that these surfaces engage, as the patent states, in a "sealing relation" (See surfaces 30 and 32 at page 1a of the Appendix hereto). Evidence was presented in the Trial Court that "absolute concentricity" is a very difficult thing to achieve (Joint Appendix, pages 185 and 572). The patent recites a "special tool" to attain this perfection of workmanship without stating just what the tool is or how it is to work (Joint Appendix, pages 561, 570, 571).

Thus the matter of the "absolute concentricity" to obtain a "sealing relation" through use of the "special tool" is at the very heart of any possible novelty over prior practices. The patent law leaves no excuse for ambiguous language or vague descriptions at this point. Yet that is what is found. No one can tell what the "special" tool is.

The District Court concluded that the disclosure of the Flick patent was insufficient (Conclusion No. 7, page 25a of the appendix to plaintiff's petition). It is.

The posture of this case is, however, of a far more serious nature than a case merely involving the question of sufficiency of disclosure. This case involves a *deliberate and willful suppression of information* so as to avoid giving the public the *quid pro quo* it is entitled to.

The alleged inventor here seeks to hold his "special tool" as a trade secret because this apparently allows him to gain some perfection of workmanship and the difficult objectives of a "sealing relation" and an "absolutely concentric" relation with an attendant competitive advantage.*

The plaintiff obviously seeks to enforce a patent on a cylinder which is made from a "secret" and "special" tool and which, according to plaintiff's allegations, attains the important and difficult objectives of a "sealing relation" and "absolute concentricity."

In such a situation the patent applicant has not given the public the consideration to which it is entitled in return for the grant of a patent and, in fact, the patentee has deliberately concealed such information from the public. With this

*The record clearly shows that the patentee contemplated use of the tool at the time he filed the patent application in question (Joint Appendix, page 186), that tools of this type were not known for this purpose (Joint Appendix, pages 179, 243), that "absolute concentricity" is important and difficult to achieve (Joint Appendix, pages 185 and 573), that tools of this type cost the plaintiff a lot of money to develop (Joint Appendix, page 375), that rather than disclose this, the plaintiff elected to keep the tools of a secret nature (Joint Appendix, page 178) and that you do not have "absolute concentricity" if a clearance exists between the cylinder tube and head (Joint Appendix, page 193). Defendant's expert testified that a description of a "special tool" would take it out of the realm of the usual follower or lathe tools (Joint Appendix, page 570), that he thought "absolute concentricity" might be accomplished if very great accuracy were exercised (Joint Appendix, page 571), but that it would cost so much you could not do it in production (Joint Appendix, page 636). Also, he testified (Joint Appendix, pages 572 and 573) that the patent points out two possibilities of obtaining "absolute concentricity" one of which is the "special tool" which he could not identify and the other of which was with a taper, but that you might use the taper without obtaining "absolute concentricity".

concealment, the public will not have plaintiff's competitive advantage when the patent expires.

In a case of this type, a conjecture that the cylinders might conceivably be made with "absolute concentricity" to obtain a "sealing relation" through use of a high perfection job, and extremely costly procedures, does not justify a patent applicant's deliberate withholding of his best information as to the method of carrying out the invention.

The petition should be denied since no new question of law is presented to this court and no error of the lower court is involved. As noted above, this Court has repeatedly held that the purpose of the patent statute on disclosure is to give the public the benefit of the invention and some new knowledge after the patent is expired. This purpose has been defeated in this case.

PLAINTIFF'S PETITION COMPLETELY IGNORES THE BASIS OF THE COURT OF APPEALS' HOLDING OF INVALIDITY OF THE FLICK PATENT

Throughout its petition, plaintiff argues as if the Flick patent were held invalid by the Court of Appeals only because the disclosure was insufficient to enable a person skilled in the art to practice the invention. The petition thus completely ignores the real basis of that Court's decision, i.e. the patentee's *intentional failure to disclose the best mode* of carrying out the invention. The cases relied on by the plaintiff, particularly at pages 15, 16 and 17 of the petition do not even involve a *willful* and *deliberate withholding* of the *best mode* contemplated by the inventor of carrying out the invention. Nor do they relate to *retention* of a patentee's best mode as a *trade secret*.

Contrary to the petition at page 9, the Court of Appeals of the Seventh Circuit heretofore has interpreted the "best mode" provision in the exact light of the statute. *Richmond*

Screw Anchor v. *Umbach,* 173 F.2d 521 (7th Cir., 1949) c.d. 337 U.S. 919. The decision of the Court of Appeals in the present case is precisely in line with the views of the Court of Customs and Patent Appeals in *Application of Gay,* 309 F.2d (1962) which is cited at page 13 of the petition. This decision states in exact terms that the description shall be such as to enable one skilled in the art to make and use the invention and the inventor must disclose the best method contemplated. The express purpose is to prevent concealment of the type involved in this case.

A brief examination of the decision of the Court of Appeals leaves no doubt whatsoever that the holding of invalidity of the Flick patent was affirmed because the patentee elected to retain his best mode as a trade secret and thereby failed to comply with the second portion of 35 U.S.C. 112 which sets forth the requirement of disclosure of the best mode. This section of the statute, printed in full on page 8a of the appendix of plaintiff's petition, requires that a patent specification both

1—"shall contain a written description of the invention, and of the manner the process of making and using it . . . to enable any person skilled in the art to which it pertains, ... to make and use the same" and

2—"shall set forth the best mode contemplated by the inventor of carrying out his invention."

The second of these two requirements was italicized by the Court of Appeals thereby indicating its main reliance on this provision. As noted above, the Court of Appeals did not question the District Court's conclusion that the disclosure itself was insufficient under the first portion of this section of the Statute (Conclusion No. 7, pages 25a, 26a of the appendix to plaintiff's petition). With respect to the withholding, the Court of Appeals made this statement:

> "We hold that the district court's findings on this point are not clearly erroneous and that its conclusion of invalidity because specific information about the 'special tool' was withheld in violation of 35 U.S.C. §112 is supported by substantial evidence."

Plaintiff's petition has not even discussed the patentee's deliberate withholding and therefore fails to show any error in this decision of the Court of Appeals.

SUMMARY AND CONCLUSION

The question of applicable Federal Law and policy has been decided by this Court many times over the years. The decision of the lower court is harmonious with this law and policy. No new question of Federal law is presented.

The rule of law applied by the Seventh Circuit will not require more detail in patent specifications as suggested at page 19 of the petition. The law has always required a full and sufficient disclosure at the point of novelty.

The deliberate and willful concealment is fatal to the patent and to the petition of the plaintiff. The petition therefore should be denied.

APPENDIX

FIG. 4

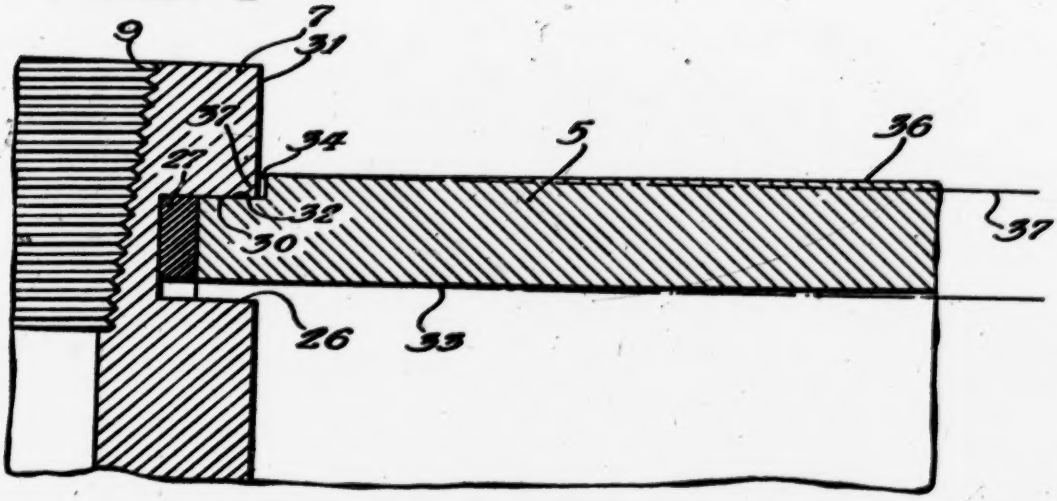
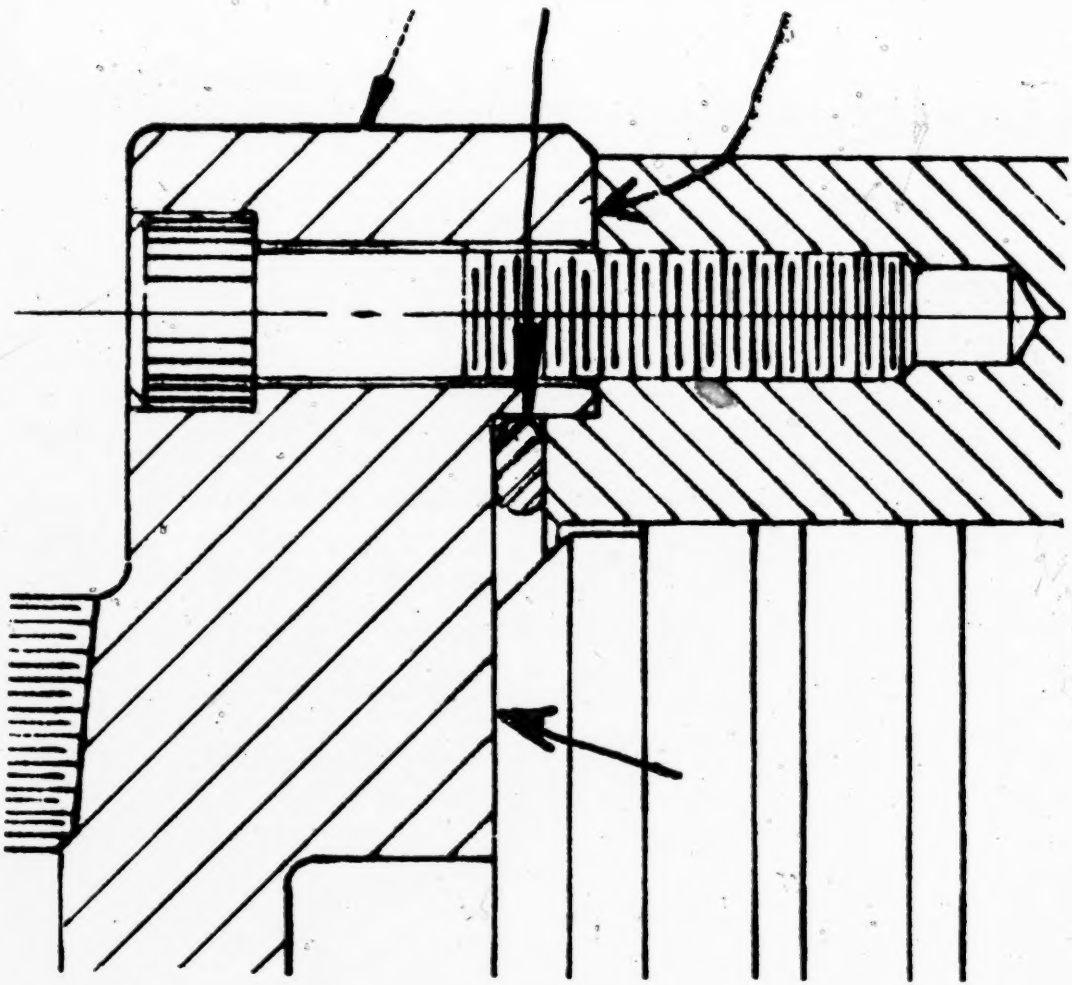


FIG. 4 OF FLICK PATENT NO. 2,842,284



Defendant's Exhibit 55—PRIOR ART
HANNA HP 1950 CYLINDER END SEAL